

VZCZCXYZ0041  
OO RUEHWEB

DE RUEHEG #5796 2571352  
ZNY CCCCC ZZH  
O 141352Z SEP 06  
FM AMEMBASSY CAIRO  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 1370  
INFO RUEHXX/ARAB ISRAELI COLLECTIVE PRIORITY  
RHEHNSC/NSC WASHDC PRIORITY

C O N F I D E N T I A L CAIRO 005796

SIPDIS

SIPDIS

NSC STAFF FOR RICK WATERS

E.O. 12958: DECL: 09/14/2016  
TAGS: [PREL](#) [PGOV](#) [EAID](#) [KDEM](#) [EG](#)  
SUBJECT: MFA OFFICIAL URGES HIGH-LEVEL USG CONTACT WITH GOE  
TO RESOLVE IRI/NDI FREEZE

Classified by ECPO Minister Charge Stuart Jones for reasons  
1.4 (b) and (d).

11. (C) Summary: The MFA official in charge of registration of foreign NGOs has said the freeze on activities by IRI, NDI, and IFES, as well as the issue of their pending legal registration in Egypt, could best be resolved by a "high level" overture from the USG to the GOE. The official offered no further information on the level of the suggested overture, but implied that it should be at the ministerial level or above. End summary.

12. (C) USAID-Egypt Deputy Director and USAID-Egypt Democracy Program Director called on MFA Counselor Mahmoud Nayel on September 13. Nayel, who most recently served in Moscow, is the new director of the MFA office responsible for the registration of foreign NGOs. Nayel's comments to the USAID officers echoed and expanded on comments he had made on September 11 to visiting DRL DAS Erica Barks-Ruggles and NEA DAS Scott Carpenter (septel). Nayel told Barks-Ruggles and Carpenter, "Formally, the registrations are still being studied, but informally, you should intensify your political contacts." Nayel also observed that "Sometimes politics can block regular procedures."

13. (C) Carefully choosing his words to the USAID staff, Nayel indicated that IRI and NDI's registration is being blocked at high levels of the GOE for "political reasons." Nayel told USAID officers that he had been authorized by the MFA to deliver this message, and he said that unspecified "high level" USG contact with the GOE, above the level of Assistant Minister for the Americas Salama Shaker, offered the best chance to resolve the registration issue. Nayel also suggested that the GOE would welcome an apology or expression of remorse for IRI's decision to commence public operations last May before having submitted its registration application. (IRI's May public relations activities were the proximate cause of the GOE's June freeze on IRI, NDI, and IFES. Although IRI staff have informally apologized to the MFA for their mis-steps, and Embassy officers have listened to extensive MFA complaints about IRI's mistakes, no one, to our knowledge, has offered a formal apology to the GOE for the IRI tempest.)

14. (C) After offering the caveat that he was now speaking unofficially, Nayel also said that the USG's "arrogant" tactics in promoting reform in Egypt made it difficult for those in the GOE who supported political reform. Nayel observed that increasing nationalist sentiment in the Egyptian press made it difficult for the GOE to agree to policies or programs that "appear to be dictated from abroad."

15. (C) In response to a question, Nayel said that

registration is only required of foreign NGOs which seek to open offices or otherwise conduct legal transactions in Egypt. According to Nayel, registration enables any Egyptian NGOs which work as sub-grantees to notify (rather than seek approval from) the Ministry of Social Solidarity (which regulates domestic NGOs) that they intend to accept foreign funding through a foreign NGO.

16. (SBU) Finally, Nayel announced that the GOE is establishing an inter-ministerial committee (with representatives from MFA, International Cooperation, and Social Solidarity) to discuss funding of NGOs by the European Commission and the USG.

JONES